

MINUTE ITEM

7/12/66

28. QUITCLAIM OF OIL AND GAS LEASE P.R.C. 3416.1, SAN JOAQUIN COUNTY; ATLANTIC OIL COMPANY - W.O. 6165.

After consideration of Calendar Item 19 attached, and upon motion duly made and carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO ACCEPT A QUITCLAIM AND TO TERMINATE OIL AND GAS LEASE P.R.C. 3416.1 EFFECTIVE MAY 20, 1966, IN ACCORDANCE WITH SECTION 5 OF THE LEASE, AS REQUESTED BY THE LESSEE, ATLANTIC OIL COMPANY.

Attachment

Calendar Item 19 (1 page)

19.

QUITCLAIM OF OIL AND GAS LEASE P.R.C. 3416.1, SAN JOAQUIN COUNTY; ATLANTIC OIL COMPANY - W.O. 6165.

On December 16, 1965, Oil and Gas Lease P.R.C. 3416.1, covering 970 acres of tide and submerged lands, 132.71 acres of reserved upland mineral interests, and 75.71 acres underlying certain lands acquired by the State for navigational purposes, was issued to Atlantic Oil Company, pursuant to competitive public bidding in accordance with Division 6 of the Public Resources Code. The lessee paid to the State the sum of \$25,000 as a cash-bonus payment in consideration of the issuance of the lease, in addition to the first year's rent of \$1 per acre.

Shortly after acquiring the lease, Atlantic drilled well No. "Zuckerman, et al.", 1 adjacent to State lands. The well was drilled to a total depth of 10,000 feet and redrilled to 9,990 feet without encountering oil or gas in commercial quantities. The well was abandoned March 15, 1966.

The lessee has submitted a quitclaim dated May 20, 1966, to surrender and terminate the lease pursuant to the provisions of Section 5 thereof. Section 5 provides that the lessee may at any time file with the State a written quitclaim of all rights thereof. Such quitclaim or relinquishment shall be effective as of the date of its filing, subject to the continued obligation of the lessee and of his surety to make payments of all rental and royalties theretofore accrued. The lessee has complied fully with the requirements of the lease through May 20, 1966.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO ACCEPT A QUITCLAIM AND TO TERMINATE OIL AND GAS LEASE P.R.C. 3416.1 EFFECTIVE MAY 20, 1966, IN ACCORDANCE WITH SECTION 5 OF THE LEASE, AS REQUESTED BY THE LESSEE, ATLANTIC OIL COMPANY.